



# STATE OF IOWA

CHESTER J. CULVER, GOVERNOR  
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF EDUCATION  
JUDY A. JEFFREY, DIRECTOR

DATE: March 17, 2010

TO: School Superintendent  
School Food Authority  
School Food Service Director  
School Business Manager

FROM: Julia Thorius, Bureau Chief  
Patti Harding, Administrative Consultant, School Programs  
Bureau of Nutrition, Health and Transportation Services

SUBJECT: **FY 2010 FOOD SERVICE EQUIPMENT ASSISTANCE GRANT**  
**Request for Applications**

## **PLEASE ROUTE – ACTION NEEDED BY April 28, 2010**

In accordance with Section 7(a)(c) of the Child Nutrition Act of 1966 (42 U.S.C. 177(a)(2)), on October 1, 2009, the Secretary of the United States Department of Agriculture (USDA) received a one-time appropriation of \$25,000,000 for equipment assistance to eligible school food authorities (SFA) participating in the National School Lunch Program (NSLP). This one-time appropriation will be used for the purchase of equipment for schools under the jurisdiction of such authorities. The legislation contains language that excludes those SFAs that received funding under the American Recovery and Reinvestment Act of 2009 (ARRA) from receiving FY 2010 NSLP equipment assistance grants. The intent of the language is to ensure that other SFAs, not previously awarded ARRA funding, are afforded the opportunity to receive NSLP food service equipment in FY 2010. However, State Agencies (SA) informed the Food and Nutrition Service (FNS) that this language could significantly limit the number of low-income schools that are eligible for these new funds because their SFA was funded under ARRA. Recognizing that a remedy to this situation is desirable, FNS has informed the appropriate Congressional committees of the problem with the current statutory language. USDA anticipates that a technical change in the legislation may occur, though they cannot guarantee that the issue will be corrected. The Iowa share of this fund is \$202,568.00. State Agencies have the option to proceed as the language was originally written or wait to see if a change is made. To ensure timely procurement and installation of the equipment and because the new funding is only about ¼ of the ARRA funding, **Iowa is implementing the law as originally written so only those SFAs that were not previously awarded equipment funds under ARRA will be considered for the FY 2010 Food Service Equipment Assistance Grant funding.** The law requires that local SFAs *apply competitively* for NSLP equipment assistance grants. As stipulated in the law, grants are to be based on the need for equipment assistance in participating schools with *priority* given to SFAs for equipment for schools in which *at least 50 percent of the students are eligible for free or*

*reduced priced meals* (based on October 2009 reported unduplicated count). If funding remains, the State Agency will award funds to SFAs/schools that submitted an application in which less than 50 percent of the students are eligible for free or reduced price meals. All SFAs that did not previously receive ARRA School Food Service Equipment Grant funding, participating in the NSLP, are eligible to submit an application for the equipment assistance grant.

#### Equipment Definition:

Equipment requests may include new equipment, renovation of equipment, or replacement of equipment. USDA regulations at 7 CFR 3016.3 and Office of Management and Budget Circular A-87 define equipment for the purpose of the FY2010 NSLP equipment assistance grants as articles of nonexpendable, tangible personal property with a useful life of more than one year and a per unit acquisition cost of at least \$5,000 (or such lesser amount as the SFA uses when reporting equipment as assets in its financial statements). As with all Federal grant funds, equipment procured using FY 2010 NSLP equipment assistance grant funds must be reasonable and permissible in order to be requested. Generally, then, using NSLP equipment assistance grant funds to purchase a walk in freezer for school food service use would be an allowable cost; whereas renovation of the food service area would fall under **the category of construction costs which must be borne by the school district's general fund.**

#### Eligibility Requirements:

- Participate in the National School Lunch Program.
- Only one application packet per SFA will be accepted. If equipment is being requested at multiple schools or if one school is requesting multiple pieces of equipment, the SFA must complete the SFA Application and a School Application for each school and piece of equipment.
- SFAs requesting equipment for a Central Kitchen or Production Kitchen must complete the SFA Application and the Central Kitchen or Production Kitchen Application for each piece of equipment the SFA is requesting.
- Generally speaking, the minimum amount of the grant must be \$5,000 (or such lesser amount as the SFA uses when reporting equipment as assets in its financial statements.) If your SFAs equipment capitalization threshold is under \$5,000, **the SFA must provide a copy of its capitalization policy.**
- Equipment purchase requests must fall into at least one of the State's allowable focus areas.
- **Obligations made *prior* to grant award will not be considered for award/payment.**
- If replacing equipment, the SFA must describe the condition of the equipment and what will be done with existing equipment.
- **SFAs must complete their procurement and expenditure activities by February 28, 2011.**
- **SFAs will be required to follow all Federal, State, and Local procurement laws when purchasing equipment under these grants.**
- Completed application must be **postmarked by April 28, 2010.**

#### Equipment Purchases Must Fall Into At Least One of the Focus Areas Listed Below:

- 1) Equipment that lends itself to improving the quality of school food service meals that meet the dietary guidelines (e.g. alternative to deep fat fryer, additional refrigeration for storage/service of more fresh fruits or vegetables)

- 2) Equipment that improves the safety of food served in the school meal program (e.g. cold/hot holding equipment, dish washing equipment, refrigeration, milk coolers, freezers, blast chillers)
- 3) Equipment that improves the overall energy efficiency of the school food service operations (e.g. purchase of an energy-efficient walk-in freezer replacing an outdated, energy-demanding freezer)
- 4) Equipment that allows SFAs to support expanded participation in a school meal program (e.g. equipment for serving meals in a non-traditional setting or to better utilize cafeteria space)

**IMPORTANT:** Given the focus areas, the State Agency will not approve funding for computerized software or hardware.

### **Reporting Requirements:**

- Expenditures made with FY 2010 equipment assistance funds must be distinguishable from all other funds. Accounting codes and additional guidance will be provided to SFAs awarded grants.
- Records documenting expenditures consistent with the approved grant award must be on file for review per USDA requirements.
- A list of projects and activities undertaken (wholly or partially) with FY 2010 equipment assistance grants, including the project/activity name, location, description, and an evaluation of completion status at yet to be determined points in time.
- Records documenting the competitive bid process must be on file for review.

### **Timeline:**

SFAs must complete their procurement and expenditure activities by February 28, 2011.

March 16, 2010	Request for School Food Service Equipment Assistance Grant Applications Released
April 28, 2010	Completed application must be postmarked by April 28, 2010
June 1, 2010	Grant Awards will be announced by June 1, 2010
September 30, 2010	Project status report due to DE if applicable
November 30, 2010	Equipment funds must be expended or obligated by November 30, 2010
December 30, 2010	Project status report due to DE if applicable
February 28, 2011	Final deadline for submitting documentation and Request for Grant Payment

### **Distribution of Funds**

Grant awards will be for a dollar amount not to exceed that specified in the Grant Award document. **Actual funds will be distributed through a reimbursement process, with final grant payment determined by submission of actual invoices for equipment and applicable related costs.** The related costs may include those that are reasonably required to procure new equipment and place it in service (including delivery, installation, testing, disposition of old equipment, etc.) Funds may not be used for administrative costs associated with the grant application process or for administrative costs related to the procurement and installation processes. FY 2010 equipment assistance grant funds may not be used for kitchen renovations.

***Please note:*** Old equipment must be disposed of in accordance with applicable Federal regulations. See 7 CFR sections 3016.32(e) and 3019.34(g) for information on equipment disposal.

In addition to documentation of the equipment expenditure, **all required reports or other information related to FY 2010 equipment assistance funding must be submitted to the SA prior to final release of the grant funds to the SFA.** These are not ARRA funds and although there will be some reporting, it is expected to be direct to the State Agency and less detail than ARRA required. Grants should be fully expended by February 28, 2011. SFAs will be financially responsible for any expenditure in excess of that specified in the Grant Award. Funds not fully expended or obligated by November 30, 2010, are subject to withdrawal by the State Agency.

## FOOD SERVICE EQUIPMENT ASSISTANCE GRANTS

### Evaluation Criteria

Points	Category Description
10	<b>Completed application</b> <ul style="list-style-type: none"> <li>• required information is provided and organized as requested</li> <li>• certification statements/original signatures</li> <li>• equipment specification or description of item attached</li> <li>• capitalization policy attached if applicable</li> </ul>
25	<b>Free and Reduced Price Meals</b> <ul style="list-style-type: none"> <li>• Percent students eligible for free or reduced-price meals</li> </ul>
45	<b>Equipment improves at least one of the stated four focus area(s):</b> <ul style="list-style-type: none"> <li>• How will it impact and improve the focus area(s)</li> <li>• Why it is needed, justification if replacing equipment</li> <li>• Reasonable and appropriate for intended use and district/school size</li> <li>• Number of focus areas impacted</li> </ul>
10	<b>Equipment Specification and Estimated Expenses Section</b> <ul style="list-style-type: none"> <li>• Equipment specifications or description of the item (type of equipment, features, functionality, capacity, etc.) that will be used in the bid purchasing process appears complete and appropriate</li> <li>• Cost estimates included, appear reasonable with rationale for how determined</li> </ul>
10	<b>Impact</b> <ul style="list-style-type: none"> <li>• Frequency equipment will be used</li> <li>• Number of students that will be impacted</li> </ul>
100 pts	<b>Total</b>

The grants review panel will provide recommendations for funding to the Department of Education administration based on the scoring criteria above. The final award decisions will consider the panel recommendations and may consider additional factors such as geographic distribution, number of students that would benefit, cost per student, and financial condition of SFA, and confidence in a prospective grantee's ability to satisfactorily perform grant requirements based on past performance (timeliness with other requirements, attention to details, coordinated review results, etc.) *The State Agency reserves the right to not fund an application, fund applications out of ranked order or at a lesser dollar amount if it is judged that the application can be implemented with fewer Federal dollars, fund components of or only specific items in an application, or to only fund part of the application(s) if Federal funding is not*

*sufficient to fully fund all applications that merit awards. Related to limited total funding available, the State Agency reserves the right to limit funding to one piece of equipment per SFA and/or school.*

### **Resource**

The National Food Service Management Institute (NFSMI) has recently developed a resource for districts entitled “Equipment Purchasing and Facility Design for School Nutrition Programs,” which includes information on decision making for purchase of school food service equipment. This resource is available on NFSMI’s web site at <http://nfsmi.org/documentLibraryFiles/PDF/20090312115009.pdf>

### **Request for Applications - Application Form**

A copy of this memo, the SFA Application, School Application, and Central Kitchen or Production Kitchen Application are also posted on the Department of Education web site at [http://www.iowa.gov/educate/index.php?option=com\\_content&task=view&id=378&Itemid=1328](http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=378&Itemid=1328) or search for Nutrition Equipment.

### **Remember:**

- Only one SFA Application (pages 1-2) will be accepted.
- If equipment is being requested at multiple schools, the SFA must complete the School Application (pages 3-4) for each school and each piece of equipment along with the SFA Application (pages 1-2).
- If equipment is being requested for a Central Kitchen or Production Kitchen, the SFA must complete the Central Kitchen or Production Kitchen Application (pages 5-6) for each piece of equipment being requested along with the SFA Application (pages 1-2).

Please **staple equipment specification or describe the item (type of equipment, features, functionality, capacity, etc.) that will be used in the bid purchasing process** to the applicable school or central kitchen/production kitchen application document. Paperclip the SFA Application (pages 1-2) followed by the school or central kitchen or production kitchen application(s) documents together. **Only one application packet** per school district or SFA should be submitted.

### **Contact Information**

Questions may be directed to Patti Harding, Administrative Consultant, [patti.harding@iowa.gov](mailto:patti.harding@iowa.gov) please put FY 2010 Equipment Assistance Grant in the subject line. SFAs may also contact the area consultant or the general Bureau office number at 515-281-5356.

Enclosed: FY 2010 Food Service Equipment Assistance Grant Application